# businesscompanion

# trading standards law explained

# Selling goods via online platforms

In this section

Introduction

Are you a trader and are you selling to consumers?

Legal requirements when selling online

Pre-contractual information checklist

Consumer cancellation rights

How do consumers cancel?

What if I haven't given cancellation rights?

Cancellation instructions and form

Misleading descriptions

**Product safety** 

Food safety and standards

Underage sales

Intellectual property

Dispute resolution

Selling within the EU

**Trading Standards** 

In this update

Key legislation

In this guide, the words 'must' or 'must not' are used where there is a legal requirement to do (or not do) something. The word 'should' is used where there is established legal guidance or best practice that is likely to help you avoid breaking the law.

#### Introduction

The purpose of this guide is to inform you of the rules when selling goods online from Great Britain. Whether you are selling goods via your own website or through a third party (such as an internet auction, marketplace or social media), you need to understand the rights of your consumers and how to contract legally.

This guide will:

• define your obligations as a trader

- explain what information you have to provide
- explain what rights your consumers have regarding cancellations and returns, including timeframes

Different rules apply to contracts for the provision of services or digital products, and these are not covered here. Business Companion has guides on these subjects, as well as one on goods, that are not online-specific (in other words, they apply to businesses that don't sell online as well as those that do). See 'Supplying services', 'Digital content' and 'Selling and supplying goods'.

This guidance mainly covers the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs), but also refers to some other legislation.

#### Are you a trader and are you selling to consumers?

The first step is to establish whether you are selling online in a personal or business capacity. For help on working out whether you are a trader in the eyes of the law, see 'Am I in business?'

Online platforms and marketplaces may have their own thresholds to determine when a seller should be classed as a business - for example, based upon volume of sales. However, such thresholds are often for the platform's administrative purposes, and are different from the legal definition of a business or trader.

The CCRs define a consumer as a person who is buying goods for their own personal use "wholly or mainly" outside of their trade, business or profession. If you sell goods on an internet marketplace, you are likely to be making them available to both consumers and businesses, and as such you will need to understand your consumers' rights.

If you are selling solely to businesses, where the item will be mainly used for business purposes, then parts of this guide may not apply. This guidance covers business-to-consumer contracts.

While this document applies to most goods sold online, there are specific exemptions to these rules, which are listed further in this guidance.

# Legal requirements when selling online

You are responsible for the goods until they reach the consumer or someone they have nominated to accept delivery on their behalf. This means that you would be liable for non-delivery or any damages, even if this is the fault of the courier.

Under the Consumer Rights Act 2015 (CRA), with any sale, online or otherwise, consumers can expect goods to be of 'satisfactory quality', 'as described', 'fit for any purpose made known to the seller'. More information on the CRA can be found in 'Selling and supplying goods'.

Goods must also comply with other Trading Standards laws, such as those relating to product safety, underage sales and intellectual property (see below).

The law on unfair terms and commercial practices is very important, and is covered by Part 4, Chapter 1 of the Digital Markets, Competition and Consumers Act 2024 (DMCCA). For more information, please see 'Protection from unfair trading (criminal law)'.

At some point, the DMCCA will also cover consumers' rights of redress, but for the time being they are still covered by the Consumer Protection from Unfair Trading Regulations 2008 (CPRs); information on these rights can be found in 'Protection from unfair trading (consumers' rights of redress)'.

Legislation requires that certain pre-contractual information must be provided to potential buyers before a

contract is made. This is to ensure that consumers make an 'informed choice' before concluding a contract and to prevent disputes over the sale process and the nature of the items sold. You can comply by including the required information in, or clearly linked from, your item listings.

See the 'Pre-contractual information checklist' section below for the information you are required to give in all cases. See also 'Model contract terms'.

Failure to provide the above information is a breach of the law with immediate consequences (for example, if you do not inform consumers of their right to cancel, this right is automatically extended to up to one calendar year). For further details, please see 'Consumer contracts: distance sales'.

Please do not assume that by providing some of the above information during the sign-up process with a particular online platform that the relevant information will automatically be made available in the required format to customers using the platform.

It is important that you understand that using the infrastructure on an online marketplace does not automatically make your business legally compliant. They may offer customer service functions such as mechanisms for resolving disputes; however, you as the trader are responsible for ensuring that you are legally compliant. If you are not compliant, not only may action be taken against you by enforcement agencies, or court action taken by your customers, the online marketplace may prevent you from using its platform in the future.

There are some exemptions to the application of these rules, which may be relevant in a certain number of limited circumstances. However, this guidance does not deal with such circumstances in detail due to their specialist nature. Details on exemptions are covered in 'Consumer contracts: distance sales'.

#### Pre-contractual information checklist

You must ensure that all of the information included in the checklist below is provided clearly to consumers before they make a purchase.

**Your identity**. The legal name of the business (your name, limited company, partnership).

**The main characteristics of the goods**. You must give as much information as the means of communication allows. Some products have specific labelling requirements, which must be reproduced in online descriptions.

The geographical address where you are established and, where applicable, a telephone number and/or fax number to allow consumers to be able to contact you quickly and efficiently. If you have a different address for consumer complaints, this should be given in addition to your geographical address. If you trade from home, but do not want to publicise this address, you can use, for example, your accountant's address (with their permission).

**An email address** (an online contact form is not sufficient). If you are acting on behalf of another trader, their identity and geographical address.

Your VAT number, if applicable.

**The total price of the goods**, inclusive of tax (such as VAT). If this cannot be calculated in advance you must say how this will be calculated.

All delivery charges or any other costs. If these cannot be calculated in advance you must state that

they are payable and provide information on how they will be calculated. Remember you cannot charge additional fees for use of credit cards or other payment facilities; more information on this can be found in 'Payment surcharges'.

The monthly (or billing period) costs of open-ended contracts or subscriptions - for example, monthly membership fees.

Any additional costs for using a specific means of distance communication to make the contract - for example, if you make an extra charge for buying by phone as opposed to online. If relevant, information about any deposit or similar to be paid by the consumer.

**The arrangements for payment or delivery** and the time that you will take to deliver the goods.

**The duration of the contract** and, if undetermined or automatically extended, how to terminate the contract; also, the minimum duration of the contract, if applicable.

**Your complaint-handling policy** (if you have one), plus information about after-sales assistance and service, and any commercial guarantees - for example, an electrical appliance may come with an eight-year commercial guarantee for certain parts, which is above the legal minimum.

The conditions, time limits and procedure for exercising a right to cancel (providing that the product is not exempt from cancellation) See 'Cancellation instructions and form' below.

Where there is no right to cancel, or, where that right can be lost under certain circumstances, the details of such circumstances - for example, goods that are sealed for hygiene reasons.

If you are expecting consumers to pay the costs of returning the goods after cancellation, you must tell them. If the goods cannot normally be returned by post (they are too large, for example) you must inform consumers of the cost of returning them.

A reminder of the consumer's legal right to expect goods that are in conformity with the contract, which is to say, of satisfactory quality, fit for purpose and as described.

**Information about any applicable code of conduct and alternative dispute resolution (ADR) mechanism** - for example, if you are part of a trade association or a 'good trader' scheme, then this should be disclosed to the consumer.

# **Consumer cancellation rights**

A consumer who has purchased your goods via an online platform has the right to cancel the contract and claim a refund without giving any reason or justification and without incurring any liability (unless exceptions apply) within 14 calendar days of receiving the goods.

This right gives the consumer the opportunity to examine the goods as they would be able to do in a retail store. Please note that the consumer does not have to pay for the return of the goods unless you have informed them that they have to bear that cost.

The 14-day cancellation period starts on the day that the goods are in the physical possession of the consumer (or, in the case of multiple goods, when the last item in the order is in the consumer's possession). Weekends and public holidays are included in the 14 days; however, the cancellation period expires at the end of the following working day if the end of the 14 days falls on one of those days.

On receipt of the returned goods, or confirmation that they have been sent by the consumer, you must refund within 14 days. If it is found that the consumer handled the goods beyond what is necessary in order to establish their nature, characteristics and functioning (typically as they would be handled in a retail shop), and if this diminishes the value of the goods by any amount, then you are entitled to claim that amount back from the consumer; however, you may have to justify this.

Consumers can lose their right to cancel if:

- the consumer unseals certain goods after delivery where the seal is necessary for health protection or hygiene reasons for example, make-up, or swimwear where the hygiene seal has been removed
- the consumer removes the seal on audio or video recordings, or computer software
- the goods become mixed inseparably with other goods for example, paint additive being added to a consumer's pot of paint

#### How do consumers cancel?

As previously discussed, you need to inform the consumer about their right to cancel and how they can go about using it. To exercise the right to cancel, the consumer can notify you using a model cancellation form (if you have provided one) or by making any other clear statement of cancellation (whether or not in writing).

See 'Cancellation instructions and form' below.

#### What if I haven't given cancellation rights?

If you provide the required cancellation information late (but within 12 months from the consumer entering the contract), the cancellation period of 14 days starts when the consumer receives that information. If you do not provide the required cancellation information at all, the cancellation period ends at the end of 12 months after the day on which it would have ended if the information was provided according to the law.

Exemptions to the right to cancel

In the following cases, the right to cancel does not apply:

- medical products, supplied by a prescriber or a healthcare professional, or as part of the heath service
- goods whose price depends on fluctuations in financial markets (for example, the value of foreign currency) and for the supply of alcoholic beverages when the price has been agreed, but their delivery can only take place after 30 days
- goods made to a consumer's specification (however, this would not include goods where the component parts or extras are chosen from a standard list)
- personalised goods (for example, a mug with a person's name painted on it or a tailor-made suit)
- perishable goods or goods that are likely to expire rapidly (such as flowers or fresh fruit)
- newspapers, periodicals and magazines (except subscription contracts that can be cancelled)
- items sold at a public auction where there is an opportunity to attend in person (not an auction on an online marketplace such as eBay)
- contracts for accommodation, transport of goods, vehicle rental, catering or leisure services, if the contract is to be provided on a specified date or within a specified period

The consumer does not have to pay for the return of the goods unless you have informed them that they have to bear that cost.

#### Cancellation instructions and form

You must supply the model cancellation form to consumers. See 'Model contract terms' for more information.

#### **Misleading descriptions**

You must be honest and truthful when describing your products. Marketing your products in a misleading way, either by presenting or describing them in a false manner, or omitting information that a consumer would need to make an informed transactional decision. is a criminal offence.

For more information (including details on the legal meaning of 'transactional decision'), see 'Protection from unfair trading (criminal law)'.

#### **Product safety**

You must ensure that your products are safe. If you are manufacturing items, putting your brand name on them or importing them from outside the UK, you have a higher level of responsibility in ensuring that your products meet the UK legal safety requirements than if you are a retailer (though retailers also have legal obligations).

This includes product-specific obligations that require products such as toys, cosmetics and electrical products to be tested to standards that show compliance with the law. As well as the composition of the product, there are labelling requirements, which may include you putting your business identity and geographical address on the product and/or its packaging and applying the CE / UKCA mark.

Further information can be found in the '<u>Product safety</u>' section of Business Companion. See also the '<u>Product safety webinar series</u>'.

# **Food safety and standards**

If you are selling food products, you must ensure that you are registered with your local Environmental Health department as a food business operator. You must also be aware of the food standards legislation regarding the composition and labelling of your products. Much of the food information found on the product label will have to be duplicated in your online description.

More detailed information can be found in Business Companion's 'Food and drink' section.

# **Underage sales**

Selling age-restricted products such as alcohol or vapes online creates extra problems for traders, as checking the age of the buyer is not as straightforward as it is when face-to-face.

For more information, see '<u>Online sales of age-restricted products</u>' and the other guides in Business Companion's '<u>Underage sales</u>' section.

#### **Intellectual property**

Intellectual property (trade marks, copyright, etc) is a valuable asset for many businesses, and you will want to ensure that you protect your own intellectual property rights. You also need to avoid violating the IP rights of other businesses or individuals.

See 'Intellectual property' for more information.

#### **Dispute resolution**

Sometimes things go wrong and issues arise between businesses and consumers. Online platforms will often have their own dispute resolution services to resolve issues between buyers and sellers. If not, or if the dispute is not successfully resolved by this means, court proceedings might be an option, but these could be costly and time-consuming.

To avoid the use of courts, alternative dispute resolution (ADR) can be used to settle disputes arising between traders and consumers based in the UK. This involves the use of an ADR body, which is impartial and offers a variety of methods of resolving consumer disputes, such as mediation, conciliation or arbitration.

The three processes can be briefly summarised as follows:

- **mediation** is a process whereby an independent third party helps the parties in dispute come to a mutually acceptable outcome
- **conciliation** is a process whereby the parties use a conciliator who meets with the parties, both separately and together, in an attempt to resolve their differences
- **arbitration** is a process where the outcome is decided upon by a third party. Parties agreeing to arbitration usually agree to the decision being binding and therefore enforceable through the courts

To gain access to ADR, traders can join either a trade association that offers an ADR scheme or an ADR body, although they do not have to do so.

Under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015, if you have exhausted your internal complaints procedure in relation to a complaint brought by a consumer, you must provide the consumer with all of the following information regarding ADR schemes on a durable medium:

- the name and website address of an ADR entity that could resolve the complaint
- whether or not you intend to use ADR. Business may not have to use ADR unless they want to, but if you are required by law or membership to a trade association to use ADR, then you must agree to do so

The online marketplace may provide a specific facility for you to provide this information on the website platform. Where there is no specific place for the information, you should provide the information clearly where the consumer can find it - for example, in product listings or on your seller page.

Further information can be found in 'Alternative dispute resolution'.

# **Selling within the EU**

If you offer your goods online to buyers outside the UK, you must still comply with the legal requirements provided in this guidance. This is because even though the UK left the EU, the majority of consumer law has remained and is harmonised across Europe. So, for example, the online sales laws require businesses

in other EU countries to provide the same level of protection and rights to consumers as sellers do in the UK.

The EU E-Commerce Directive does not apply in the UK after EU Exit. This means that UK businesses will no longer benefit from provisions that allowed businesses that were complying with UK laws to trade across the EU. Now, if you are selling to EU consumers, you will need to comply with the individual laws of the country you are selling to; therefore, you must keep updated with these, as well as the Electronic Commerce (EC Directive) Regulations 2002, which remain in force for the UK only. EU-wide geo-blocking rules (Regulation (EU) 2018/302 on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market) will also still apply to businesses selling to EU countries, which means you cannot discriminate against consumers or offer different terms dependent on their Member State.

Online sellers, including online marketplaces / platforms, can register for VAT in one EU Member State and this will be valid for the declaration and payment of VAT on all distance sales of goods and cross-border supplies of services to customers within the EU, over the threshold of 10,000 Euro. This is called the VAT One-Stop Shop and information about the scheme can be found on the Europa website.

If you are using an online marketplace, they will be the 'deemed supplier' and should register on your behalf, add the applicable VAT rate to your sales and submit returns. You should look at the marketplace's information on VAT - for example, see eBay's information on VAT obligations in the UK and EU.

If you are selling goods to an EU Member State that are stored in and sent from the UK, you will need to register, charge and make declarations regarding VAT for that Member State. This applies if you are using your own website to sell goods. It can be done through the EU's VAT One-Stop Shop (see link above).

- if you sell goods online to UK consumers (through an online marketplace or your own website), normal VAT thresholds (£85,000 turnover) apply and you must register with HMRC. For further details, see the information on VAT registration on the GOV.UK website
- if you sell goods online from the UK to NI, the rules will depend on the product. Further guidance on trading and moving goods in and out of Northern Ireland can be found on the GOV.UK website)

### **Trading Standards**

For more information on the work of Trading Standards services - and the possible consequences of not abiding by the law - please see 'Trading Standards: powers, enforcement and penalties'.

### In this update

Changes made to reflect the coming into force of the Digital Markets, Competition and Consumers Act 2024 (Part 4, Chapter 1: 'Protection from unfair trading').

Last reviewed / updated: April 2025

# **Key legislation**

- Electronic Commerce (EC Directive) Regulations 2002
- General Product Safety Regulations 2005
- Consumer Protection from Unfair Trading Regulations 2008
- Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013
- Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information)
  Regulations 2015

- Consumer Rights Act 2015
- Regulation (EU) 2018/302 on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market
- <u>Digital Markets</u>, <u>Competition and Consumers Act 2024</u>

#### Please note

This information is intended for guidance; only the courts can give an authoritative interpretation of the law.

The guide's 'Key legislation' links may only show the original version of the legislation, although some amending legislation is linked to separately where it is directly related to the content of a guide. Information on changes to legislation can be found by following the above links and clicking on the 'More Resources' tab.

© 2025 Chartered Trading Standards Institute

#### **Source URL:**

https://www.businesscompanion.info/focus/guidance-for-online-businesses/selling-goods-via-online-platforms